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SUBJECT: MEETING WITH PRESIDENT-ELECT GARCIA,S FOREIGN
MINISTER

Classified By: Ambassador J. Curtis Struble. Reasons: 1.4 (B & D)

Summary

¶1. (C) Ambassador and DCM held a 90 minute meeting on 6/19 with Jose Antonio Garcia Belaunde, who President-elect Alan Garcia intends to name as Foreign Minister. Garcia Belaunde said Alan Garcia will rarely travel abroad. The only plans now on the books are to visit Chile and Colombia before the inauguration and the U.S. and Brazil (again) after taking office. The Garcia government's regional foreign policy priorities will be to deepen the strategic partnership with Brazil and improve relations with Chile and Bolivia, which Garcia Belaunde perceives were mishandled by Toledo. The Foreign Minister-designate said that Peru will not look to pick fights with Venezuela but is much better positioned than other Andean states to resist Chavez. He was vague in a way that was not reassuring when the Ambassador underlined the importance of keeping Venezuela off of the UN Security Council. End Summary.

¶2. (C) Garcia Belaunde, who currently is an advisor to the Andean Community of Nations, said that he will continue working in the Andean Community Secretariat until 7/28. (Comment: Alan Garcia has said he will not publicly name his cabinet until 7/27.)

Travel

¶3. (C) The Foreign Minister-designate reported that Alan Garcia is not contemplating a trip to Washington before his inauguration. He will instead visit the International Financial Institutions and others when he travels at a mutually-agreed date post-inauguration to meet with President Bush. There are only two trips on the calendar before the 7/28 inauguration; a visit to Chile toward the end of the week of 6/19 and a trip to Colombia on 7/5. Garcia believes that a lot of international travel will undercut the credibility of his promise of government austerity. For that reason, he does not plan to attend the UN General Assembly. Alan Garcia feels that the manner in which Toledo combined business with pleasure in his forays abroad make foreign travel a neuralgic issue with the public. Therefore, he will go to/from Chile on the same day and have a business-only agenda. The Ambassador asked whether Alan Garcia would pay a state visit to Brazil on 8/23-24 as suggested by President Lula. Garcia Belaunde said that the GOB proposed these dates because they fall right after a summit of Amazon basin

countries in Brasilia. However, it is far from certain that Alan Garcia will attend that meeting so the dates may have to be revised.

Venezuela

¶4. (C) Like many others, Garcia Belaunde felt that Chavez' attacks on Alan Garcia helped the latter a great deal during the campaign. The Foreign Minister designate expressed surprise that Chavez kept it up even after the damage had to be evident to him. Alan Garcia was not looking for any fights with Chavez and thought the latter had walked so far out on a limb that he would have to retreat. Venezuela was not very important to Peru in trade terms, so the GOP has more latitude to resist Chavez than other Andean nations.

¶5. (C) The Ambassador noted Venezuela's ambition to be elected to the Security Council and said that it was important not to place such a disruptive country there. Garcia Belaunde's answer was neutral and therefore not reassuring. While saying that the incoming Administration had not yet taken a position on the matter, he downplayed the consequences: Venezuela would only be one vote on the Security Council, it would not have veto power and its influence would be limited. The Ambassador disagreed, noting that the Security Council is making progress on tough issues such as nuclear non-proliferation in Iran. Chavez's stock in trade is to reach out to international bad boys such as Iran. Having a Security Council member who behaves in such a manner would weaken the UN at a very inopportune moment. Garcia Belaunde acknowledged the point, citing his own difficulty in the Andean Community with Venezuela's spoiler tactics. (Comment: The Ambassador will take this up directly with President-elect Garcia. End Comment.)

Relations with Chile, Bolivia and Brazil

¶6. (C) Garcia Belaunde criticized the Toledo government for mishandling relations with Chile and ignoring Bolivia. Acknowledging that nationalist sentiment often intrudes on the bilateral relationship with Santiago, the Foreign Minister-designate felt that Toledo had too often gone public with complaints. The APRA government would, as has Toledo, seek resolution of the maritime boundary dispute via the Hague court, but would do so in a low-key fashion. The trade and investment relationship with Chile, Garcia Belaunde said, is very important for Peru and ripe for expansion. He expressed hope that Chile could be brought into the Andean Community as an Associate Member. (Comment: The Chilean Ambassador told us recently that Chile requested such status about a year ago, but CAN Secretary General Wagner thought it inopportune given the problems he was having managing tensions within the organization. End Comment.)

¶7. (C) Bolivia is important to the GOP more for historical reasons. While it looked as though Morales was falling into the Cuba/Venezuela orbit, Garcia Belaunde did not think it was too late to pull La Paz back. He noted that Morales had a change of heart in Quito on Free Trade Agreements, though it is still incomplete. (Note: Morales indicated a willingness to have free trade in goods, but not in services; he also opposes investment guarantees in FTAs. End Note.)

¶8. (C) In the case of Brazil, the APRA government wants to consolidate and expand the strategic relationship begun under Toledo. The emphasis will be on promoting the South American Community of Nations and on infrastructure/trade integration of the border regions.

San Antonio II

¶9. (C) Garcia Belaunde asked several questions about U.S.

perceptions of Peru's performance against narcotics. The Ambassador outlined CNC estimates of increased cultivation in 2005 and recent improvements in eradication and interdiction.

He noted that chemical precursor control had never gotten off the ground. The Foreign Minister-designate asked whether it is true that only a small percentage of the cocaine sold in the United States comes from Peru. The Ambassador confirmed that and explained how soil signatures allow the USG to track that. Garcia Belaunde ended by noting that President George H.W. Bush had called the San Antonio summit to promote cooperation against cocaine by Peru, Colombia, Bolivia, Mexico and the United States. He asked whether our current President would be willing to relaunch this initiative. (Comment: Several Apristas have inquired about the possibility of a San Antonio II conference. President Garcia participated in the first one and appears to have been very pleased with it. The questions about this appear to lead back to Garcia himself. End Comment.)

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